

**Nevada Tax Commission Meeting**  
**MEETING MINUTES**

Nevada Legislative Building  
401 S. Carson Street, Room 2135  
Carson City, Nevada

Legislative Counsel Bureau  
Grant Sawyer State Office Building  
555 E. Washington Ave., Room 4401  
Las Vegas, Nevada

October 3, 2016  
9:00 a.m.

**Members Present:**

James DeVolld, Chairman  
Ann Bersi, Commissioner  
George Kelesis, Commissioner  
Francine Lipman, Commissioner  
John Marvel, Commissioner  
Thomas Sheets, Commissioner  
Craig Witt, Commissioner  
Tony Wren, Commissioner

Chairman DeVolld called the meeting to order at: 9:01 a.m.

Director Contine administered an oath to all participants at today's meeting.

I. Public Comment.

There was no public comment.

II. Consideration for Approval of the August 15, 2016 Nevada Tax Commission Meeting Minutes.

Commissioner Wren moved to approve the August 15, 2016 Meeting Minutes of the Nevada Tax Commission. Commissioner Marvel second. All in favor. Motion carries.

III. **CONSENT CALENDAR:**

A. **Matters of General Concern:**

- 1) **Bonds Administratively Waived (dates as indicated) (Sales/Use Tax):**
  - a) Arelni LLC
  - b) Sdi of Minden LLC
  - c) Momentum Consulting Inc
  - d) Centro Kitchen & Bar Inc
  - e) Pawan Jaswal Inc
  - f) Wendy L. Munson & Mike C. Munson
  - g) Parmar Corporation
  - h) Swag Web and Graphics LLC
  - i) Maria & Francisco Contreras

- j) Great Basin Reprographics
- k) Engs Motor Truck Co LLC
- l) Luna Durango LLC

B. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds \$10,000:

- 1) Southwest Airlines Co.
- 2) The Cupcakery LLC
- 3) Fletcher Jones West Sahara Ltd.
- 4) Michael Hohl Motor Co.
- 5) Mustang Leasing LLC
- 6) Sams West, Inc.
- 7) Coach Inc.
- 8) Sierra Surgery Hospital LLC
- 9) Wal-Mart Stores Inc.
- 10) TJX Companies Inc.)
- 11) PCS Leasing Co LP dba Sprint PCS
- 12) Smith's Food & Drug Centers Inc.
- 13) William and Marilyn Duckro

C. Consideration for Approval of the Recommended Settlement Agreements and Stipulations (sales/use and/or modified business tax)

- 1) Mario Ernst for the debts of TLD Acquisition Co, LLC dba Vegas Bar Supply and Vegas Bar & Restaurant Supply, LLC
- 2) Jamie Purcell for the debts of TLD Acquisition Co, LLC dba Vegas Bar Supply and Vegas Bar & Restaurant Supply, LLC

D. Consideration for Approval of the Recommended Settlement Agreements and Stipulations (civil penalties)

- 1) Déjà vu Showgirls
- 2) Costco Wholesale

Commissioner Wren requested to pull Items B. 2) The Cupcakery LLC; B. 3) Fletcher Jones West Sahara Ltd.; and B. 5) Mustang Leasing LLC from the consent portion of the Agenda.

Commissioner Marvel made a motion to approve the consent portion of the Agenda, excluding items B. 2); B. 3); and B. 5). Commissioner Witt second. All in favor. Motion carries.

Brenda Rubalcava, Revenue Officer III, and Lizette Arceo, Tax Program Supervisor II, were present to answer questions with regard to B. 2) The Cupcakery LLC; B. 3) Fletcher Jones West Sahara Ltd.; and B. 5) Mustang Leasing LLC, on behalf of the Department of Taxation.

Commissioner Wren asked about the Department's procedures for partial waivers; and asked if collections are pursued on the portion of debt that is not waived.

Brenda Rubalcava and Lizette Arceo explained that the Department sends taxpayers their appeal rights in all penalty and interest waiver requests that are not completely waived. The Department will continue collections on any debt that is not waived.

Commissioner Wren moved to approve Items B. 2) The Cupcakery LLC; B. 3) Fletcher Jones West Sahara Ltd.; and B. 5) Mustang Leasing LLC. Commissioner Marvel second. All in favor. Motion carries.

IV. COMPLIANCE DIVISION:

A. Department's Recommendation to the Commission for Approval of an Offer-In-Compromise pursuant to NRS 360.263:

1) Gianluca Catapano

Kathy Fey, Revenue Officer III, was present on behalf of the Department of Taxation.

The Taxpayer was not present.

Commissioner Kelesis made a motion to approve the Offer-In-Compromise of Gianluca Catapano. Commissioner Sheets second. All in favor. Motion carries.

2) Warren Chiapparelli

Lizette Arceo, Tax Program Supervisor II, was present on behalf of the Department of Taxation.

The Taxpayer was not present.

Commissioner Kelesis made a motion to approve the Offer-In-Compromise of Warren Chiapparelli. Commissioner Wren second. All in favor. Motion carries.

3) Douglas and Teresa Chapman

Lizette Arceo, Tax Program Supervisor II, was present on behalf of the Department of Taxation.

The Taxpayer was not present.

Commissioner Lipman made a motion to approve the Offer-In-Compromise of Douglas and Teresa Chapman. Commissioner Sheets second. All in favor. Motion carries.

B. Petition for Reconsideration of Department's Denial of Exemption Status for Organization Created for Religious, Charitable or Educational Purposes pursuant to NRS 372.3261 (Sales/Use Tax):

1) Opportunity 180

Brian Boschee, Counsel for Opportunity 180, was present on behalf of the Taxpayer.

Harry Marquis, Counsel for Opportunity 180, was present on behalf of the Taxpayer.

Allison Serafin, Founder and President of Opportunity 180, was present.

Andrea Nichols, Senior Deputy Attorney General, was present on behalf of the Department of Taxation.

Commissioner Kelesis made a motion to approve Opportunity 180's nonprofit status. No second was made. The motion died.

Commissioner Wren made a motion to uphold the Department's Denial of exempt status for Opportunity 180. Commissioner Marvel second.

Roll Call: Commissioner Marvel – Yes; Commissioner Witt – Yes; Commissioner Wren – Yes; Commissioner Kelesis – No; Commissioner Bersi – Yes; Commissioner Sheets – Yes; Commissioner Lipman – Yes; Chairman DeVold - No. Motion carries by majority vote.

V. DIVISION OF LOCAL GOVERNMENT SERVICES:

Locally Assessed Properties Section:

A. Assessor's Objection of Hearing Officer's Recommended Decision regarding Property Tax Abatement:

- 1) Howard Hughes Properties (Clark County) (APN 164-13-712--018) (NTC 07-106)

Paul Bancroft of Fennemore Craig was present on behalf of Howard Hughes Properties.

Lisa Logsdon, Deputy District Attorney, was present on behalf of the Clark County Assessor.

Jeff Payson, Appraisal Manager was present on behalf of the Clark County Assessor.

Mary Ann Weidner was present on behalf of the Clark County Assessor.

The Clark County Assessor requested permission to submit an additional parcel map for the record.

Mr. Bancroft objected to the submission of a new parcel map by the Clark County Assessor.

Ms. Logsdon stated the map was provided for the record in 2008.

Chairman DeVold disallowed the objection of Mr. Bancroft because the submitted parcel map shows the correct parcel numbers and there has been some confusion with the parcel numbers.

Commissioner Sheets moved that the Commission does not accept the opinion of the Administrative Law Judge, and that the Commission find the subject parcel, as it's delineated on the map under S, be treated as a new parcel for development, which has been done in accordance with the two-prong test ordered by the Supreme Court.

Commissioner Kelesis second.

Commissioner Marvel respectfully opposed the motion. Commissioner Marvel stated that it has been upheld several times.

Roll Call: Commissioner Kelesis – Yes; Commissioner Bersi – No; Commissioner Sheets - Yes, Commissioner Lipman – Yes; Commissioner Marvel – No; Commissioner Witt – No; Commissioner Wren – Yes; Chairman DeVold - No. Votes = 4 No and 4 Yes.

Commissioner Wren made a motion to uphold the Administrative Law Judge's decision, to support a summary judgment for the Hughes entities, and to decline the counter motion for the summary judgment with the Assessor's Office.

Commissioner Marvel second.

Roll Call: Commissioner Kelesis – No; Commissioner Bersi – Yes; Commissioner Sheets – No; Commissioner Lipman – No; Commissioner Marvel – Yes; Commissioner Witt – Yes; Commissioner Wren – Yes; Chairman DeVold - Yes. Motion carries by majority.

Locally Assessed Property Section:

- 1) Consideration of Amendment to Previously Adopted 2017-2018 Bulletin 206 – Assessment Instruction for Agricultural Land, to include Tables relating to the valuation of open-space golf course land and improvements.

Terry Rubald, Deputy Director, and Jeff Mitchell, Supervisor – Centrally Assessed, were present on behalf of the Department of Taxation.

Commissioner Witt moved to approve the Amendment to the Previously Adopted 2017-2018 Bulletin 206 – Assessment Instruction for Agricultural Land, to include Tables relating to the valuation of open-space golf course land and improvements. Commissioner Marvel second. All in favor. Motion carries.

**B. Centrally Assessed Properties Section:**

- 1) Determination and Allocation of Certification of Centrally Assessed 2017-2018 secured and 2016-2017 unsecured Unitary Property Valuations and Assessments pursuant to NRS 361.320 and 361.323.

Jeff Mitchell, Supervisor – Centrally Assessed, was present on behalf of the Department of Taxation.

Commissioner Kelesis moved to approve the Certification of Centrally Assessed 2017-2018 secured and 2016-2017 unsecured Unitary Property Valuations and Assessments pursuant to NRS 361.320 and 361.323. Commissioner Sheets second. All in favor. Motion carries.

**VI. COMPLIANCE DIVISION:**

**A. Informational Items:**

- 1) Penalty and Interest Waivers granted by the Department for Sales/Use Tax, Modified Business Tax and Excise Tax (dates as indicated).
- 2) Approval and Denial Status Report Log for Organizations Created for Religious, Charitable or Educational Purposes (dates as indicated) (Sales/Use Tax Exemption).

Informational material has been provided to the Commission.

**VII. Consideration for Approval of Adoption of Permanent Regulations:**

- A. Adoption of the revised proposed regulation relating to taxation; establishing provisions relating to the imposition, collection and remittance of sales and use taxes by retailers located outside this State; and providing other matters properly relating thereto. LCB File No. R137-15.

Shellie Hughes, Chief Deputy Executive Director, was present on behalf of the Department of Taxation. Ms. Hughes reviewed the proposed regulation for the Commission.

Chairman DeVold asked for any public comment on proposed regulation LCB File No. R137-15.

There was no public comment.

Commissioner Marvel made a motion to adopt proposed regulation LCB File No. R137-15.  
Commissioner Sheets second. All in favor. Motion carries.

- B. Adoption of the proposed regulation relating to taxation; revising provisions governing the tax on live entertainment provided at a facility that is not located on the premises of a licensed gaming establishment; and providing other matters properly relating thereto. LCB File No. R062-15.

Shellie Hughes, Chief Deputy Executive Director, was present on behalf of the Department of Taxation. Ms. Hughes reviewed the proposed regulation for the Commission.

Chairman DeVold asked for any public comment on proposed regulation LCB File No. R062-15.

There was no public comment.

Commissioner Marvel made a motion to adopt proposed regulation LCB File No. R062-15.  
Commissioner Sheets second. All in favor. Motion carries.

VIII. BRIEFING:

- A. Executive Director Contine reported that Department closed rolls on the Commerce Tax collections and collected a little more than \$143 million dollars. The Economic Forum projected \$119 million.
- B. Tina Padovano, Executive Assistant, presented three (3) board document software program options for the Nevada Tax Commission. The software options were discussed and the Commission decided to keep the current FTP program at this time.

IX. Next Meeting Date. December 5, 2016 at 9:00 a.m.

X. Public Comment.

There was no public comment.

XI. Items for Future Agendas.

Commissioner Sheets requested that the Department and the Executive Director open up rulemaking with respect to the Nevada Administrative Code as it pertains to issues that have been brought forward by the Clark County Treasurer today, including, but not necessarily limited to NAC 361.61002 to 361.61038 originally in R007-07.

Director Contine agreed to report at the next meeting.

XII. Meeting Adjourned at 11:50 a.m.